

## United States Attorney Robert E. O'Neill Middle District of Florida

CONTACT: STEVE COLE

PHONE: (813) 274-6136

FAX: (813) 274-6300

Tampa Orlando Jacksonville Fort Myers

FOR IMMEDIATE RELEASE November 2, 2007

http://www.usdoj.gov/usao/flm/pr

## ST. PETERSBURG MAN SENTENCED FOR ROLE IN EVASION OF PAYMENT OF PAYROLL TAXES

Tampa, FL - United States District Judge Richard A. Lazzara today sentenced ROBERT KENNETH DROMM, of St. Petersburg, to a sentence of 48 months' imprisonment, to be followed by a term of 3 years of supervised release. The defendant pled guilty on August 17, 2007 to one count of tax evasion.

According to court documents, DROMM owned Pay Plus Payroll Administrators, Inc. ("Pay Plus"), a company based in the Middle District of Florida. Pay Plus collected funds from its corporate clients and agreed to file payroll tax returns (Forms 941) with the Internal Revenue Service and pay to the IRS its clients' payroll taxes.

During the period between 1999 and 2004, DROMM embezzled the funds of the company which he knew represented the payroll tax payments of Pay Plus' clients. He engineered a scheme through which he collected those funds and used them for personal purposes but did not turn them over to the IRS. During the tax years in question, as a result of this scheme, DROMM embezzled almost \$3 million in this manner and ultimately evaded the payment to the IRS of approximately \$1.6 million in employment tax funds which he and his company owed to the IRS on behalf of his clients. DROMM's actions represented an attempt to evade the collection and payment of said funds to the IRS.

The case was investigated by the Internal Revenue Service-Criminal Investigation.
The case was prosecuted by Assistant United States Attorney Jay L. Hoffer of the Tampa
Division.